



## Antitrust: Commission sends Statement of Objections to Apple over practices regarding Apple Pay

Brussels, 2 May 2022

The European Commission has informed Apple of its preliminary view that it abused its dominant position in markets for mobile wallets on iOS devices. By limiting access to a standard technology used for contactless payments with mobile devices in stores ('Near-Field Communication (NFC)' or 'tap and go'), Apple restricts competition in the mobile wallets market on iOS.

The Commission takes issue with the decision by Apple to prevent mobile wallets app developers, from accessing the necessary hardware and software ('NFC input') on its devices, to the benefit of its own solution, Apple Pay.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: "*Mobile payments play a rapidly growing role in our digital economy. It is important for the integration of European Payments markets that consumers benefit from a competitive and innovative payments landscape. We have indications that Apple restricted third-party access to key technology necessary to develop rival mobile wallet solutions on Apple's devices. In our Statement of Objections, we preliminarily found that Apple may have restricted competition, to the benefit of its own solution Apple Pay. If confirmed, such a conduct would be illegal under our competition rules.*"

### Statement of Objections on Apple's access restrictions to mobile payment technology

Apple Pay is Apple's own mobile wallet solution on iPhones and iPads, used to enable mobile payments in physical stores and online. Apple's iPhones, iPads and software form a "closed ecosystem". Apple controls every aspect of the user experience in this ecosystem, including mobile wallet developers' access to it.

The Commission preliminarily considers that Apple enjoys significant market power in the market for smart mobile devices and a dominant position on mobile wallet markets.

In particular, Apple Pay is the only mobile wallet solution that may access the necessary NFC input on iOS. Apple does not make it available to third-party app developers of mobile wallets. The NFC 'tap and go' technology is embedded on Apple mobile devices for payments in stores. This technology enables communication between a mobile phone and payments terminals in stores. NFC is standardised, available in almost all payment terminals in stores and allows for the safest and most seamless mobile payments. Compared to other solutions, NFC offers a more seamless and more secure payment experience and enjoys wider acceptance in Europe.

The Commission's preliminary view is that Apple's dominant position in the market for mobile wallets on its operating system iOS, restricts competition, by reserving access to NFC technology to Apple Pay. This has an exclusionary effect on competitors and leads to less innovation and less choice for consumers for mobile wallets on iPhones. If confirmed, this conduct would infringe Article 102 of the Treaty on the Functioning of the European Union ('TFEU') that prohibits the abuse of a dominant market position.

The sending of a Statement of Objections does not prejudge the outcome of an investigation.

Today's Statement of Objections takes issue only with the access to NFC input by third-party developers of mobile wallets for payments in stores. It does not take issue with the online restrictions nor the alleged refusals of access to Apple Pay for specific products of rivals that the Commission announced that it had concerns when it opened the in-depth investigation into Apple's practices regarding Apple Pay [on 16 June 2020](#).

### Background

[Article 102](#) of the TFEU prohibits the abuse of a dominant position. The implementation of these provisions is defined in the Antitrust Regulation ([Council Regulation No 1/2003](#)), which can also be applied by the national competition authorities.

A Statement of Objections is a formal step in Commission investigations into suspected violations of EU antitrust rules. The Commission informs the parties concerned in writing of the objections raised against them. The addressees can examine the documents in the Commission's investigation file, reply in writing and request an oral hearing to present their comments on the case before representatives of the Commission and national competition authorities. Sending a Statement of Objections and opening of a formal antitrust investigation does not prejudice the outcome of the investigations.

There is no legal deadlines for bringing an antitrust investigation to an end. The duration of an antitrust investigation depends on a number of factors, including the complexity of the case, the extent to which the undertakings concerned cooperate with the Commission and the exercise of the rights of defence.

### **For More Information**

More information on the investigation is available on the Commission's [competition website](#), in the public case register under [case number AT.40452](#). A periodic compilation of antitrust and cartel news is available in the [Competition Weekly e-News](#).

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